

Chairman Marvin Abney May 4, 2026

RI State House Committee on Finance

Rhode Island General Assembly

82 Smith Street

Providence, RI 02903

Christopher O'Brien, Committee Clerk: [HouseFinance@rilegislature.gov](mailto:HouseFinance@rilegislature.gov).

Submitted to

**RE: Written Testimony in Support of House Bill H 8404** to reform and strengthen the State Historic Tax Credit Program

**FROM:** Bayard Clark Schoettle, 4 University Ave., Providence, RI 02906

Dear Chairman Abney and Members of the Rhode Island House Finance Committee:

I write in strong support of H 8404, legislation designed to once again make RI's Historic Tax Credit ("HTC") competitive with neighboring states and restore its ability to stimulate sorely needed, location efficient housing production and more transit friendly, walkable and bikeable neighborhoods.

I believe that our State can only effectively address our housing crisis and flourish in these volatile times by playing to our strengths. One of RI's key strengths and competitive advantages is our nationally renowned collection of historic buildings and neighborhoods; many located within our Main Street and Downtown districts.

Fortunately, there is nothing speculative or experimental about the State Historic Tax Credit. It is a time tested, high impact catalyst for housing production and community revitalization.

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- In fact, during the last 24 years, the HTC has been Rhode Island's best economic and community development
- tool, facilitating rehab of 322 historic buildings in urban, suburban and rural communities, representing \$2.18 billion in total investment in RI.

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- Its other major benefits include the cleanup of numerous environmentally contaminated sites (aka Brownfields) where
- many historic buildings are located, the addition of more than 6,000 units of housing, reduced opportunities for vandalism and arson as formerly vacant historic buildings spring back to life, and major increases in the property values and property tax revenue of
- economically challenged neighborhoods throughout RI.
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- I have seen the direct benefits of the HTC in the adaptive reuse of abandoned and underused mill buildings
- throughout the state for affordable housing; the re-purposing of vacant office space to residential apartments that have revitalized downtown Providence; and the preservation of important iconic buildings in the state, including the old Masonic Temple, the
- Wedding Cake House on Broadway, and the Providence Arcade.
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Despite the HTC's broad positive transformational impact on RI's people and places, it has been hamstrung in recent years by several outdated and uncompetitive features. These include

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- A required fee of 3% of Qualified Rehab Expenditures ("QRE's"), the highest in the US, and non-refundable

- (adding risk). In RI, a project with \$10 million in QRE's pays a \$300,000 non refundable fee. By contrast, in Connecticut, Maine and Massachusetts, the same size project would pay an HTC processing fee of roughly only \$ 1,000!
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- The program currently disadvantages housing creation during an ongoing housing crisis by giving a
- 25% credit to commercial projects vs. only a 20% credit to housing projects. Again, by contrast, historic rehab housing projects meeting certain criteria get a bonus HTC in several other Northeastern states, including Connecticut and Maine.
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- Developers need to be confident the program will be around, and funded, when it's their turn. Currently,
- Rhode Island's Historic Tax Credit program will sunset in two months, on June 30, 2026. H 8404 provides for a 5 year extension of the HTC, until June 30,2031. This represents a longer extension than has been the norm in recent years.
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- A lack of transparency of the HTC Waiting List due to the fact that Waiting List projects' names,

- locations, purposes and position in the queue are not shared with participants or the public, making it difficult for projects to plan and meet deadlines, and for other HTC stakeholders to assess the program's evolution and advocate for it.

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House Bill 8404 addresses these limitations so the HTC can once again be a strong housing and revitalization catalyst. Specifically, the bill provides a reduced filing fee; increasing the credit for housing projects to 30%, and up to 35% for housing projects with a significant affordable component; extending the sunset to 2031 and requiring more Waiting List transparency.

Restoring the HTC program's positive impact also requires new funding.

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- While H8404 will improve the HTC program substantially, there is a stark reality that reform alone cannot address—the HTC program is virtually out of funding. In fact, there is not enough HTC funding for the State to make commitments to any of the 50 projects on the HTC waiting list as of October 29, 2025. These projects represent a projected total investment of more than \$ 360 million in Rhode Island, but require collectively \$75.5 million from the State over time to make this investment a reality.

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- This is why, as we prioritize fixing the legislative underpinnings of the program through passage

- of H 8404, we need to concurrently provide a reliable and consistent source of HTC funding, as our neighboring states do.
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Since the State HTC for more than two decades has been the best tool for generating major investment in ideal locations for housing and other forms of economic development, I/We thank you for your past support of it, and urgently request that you revive this dynamic economic/ community development and housing production program

Sincerely,

Bayard Schoettle

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